

Principles of Economics (Elective)

ECONOMIC TERMS

E.1. Students understand common economic terms and concepts and economic reasoning.

1. Explain the causal relationship between scarcity and the need for choices.
2. Explain opportunity cost and marginal benefit and marginal cost.
3. Identify the difference between monetary and nonmonetary incentives and how changes in incentives cause changes in behavior.
4. Evaluate the role of private property as an incentive in conserving and improving scarce resources, including renewable and nonrenewable natural resources.
5. Analyze the role of a market economy in establishing and preserving political and personal liberty (e.g., through the works of Adam Smith). **E.2.**

Students analyze the aggregate economic behavior of the U.S. economy.

1. Identify differences between nominal and real data.
2. Describe the significance of an unemployment rate, the number of new jobs created monthly, inflation or deflation rate, and a rate of economic growth.
3. Outline the differences between short-term and long-term interest rates and their relative significance.

MARKET ECONOMY

E.3. Students analyze the elements of America's market economy in a global setting.

1. Explain the relationship of the concept of incentives to the law of supply and the relationship of the concept of incentives and substitutes to the law of demand.
 2. Describe the effects of changes in supply and/or demand on the relative scarcity, price, and quantity of particular products.
 3. Explain the roles of property rights, competition, and profit in a market economy.
 4. Explain how prices reflect the relative scarcity of goods and services and perform the allocative function in a market economy.
 5. Explain the process by which competition among buyers and sellers determines a market price.
 6. Describe the effect of price controls on buyers and sellers.
 7. Analyze how domestic and international competition in a market economy affects goods and services produced, and the quality, quantity, and price of those products.
 8. Explain the role of profit as the incentive to entrepreneurs in a market economy.
 9. Describe the functions of financial markets.
 10. Describe the economic principles that guide the location of agricultural production and industry and the spatial distribution of transportation and retail facilities.
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U.S. LABOR MARKET

E.4. Students analyze the elements of the U.S. labor market in a global setting.

1. Explain the operations of the labor market, including the circumstances surrounding the establishment of principal American labor unions, procedures that unions use to gain benefits for their members, the effects of unionization, the minimum wage, and unemployment insurance.
2. Describe the current economy and labor market, including the types of goods and services produced, the types of skills workers need, the effects of rapid technological change, and the impact of international competition.
3. Describe wage differences among jobs and professions, using the laws of demand and supply and the concept of productivity.
4. Explain the effects of international mobility of capital and labor on the U.S. economy.
5. Measure the impact of free trade agreements, transnational labor outsourcing, and legal and illegal immigration on domestic and international workers and U.S. economic foreign policy.

INTERNATIONAL TRADE

E.5. Students analyze issues of international trade and explain how the U.S. economy affects, and is affected by, economic forces beyond U.S. borders.

1. Identify the gains in consumption and production efficiency from trade, with emphasis on the main products and changing geographic patterns of 20th-century trade among countries in the Western Hemisphere.
2. Compare the reasons for and the effects of trade restrictions during the Great Depression compared with present-day arguments among labor, business, and political leaders over the effects of free trade on the economic and social interests of various groups of Americans.
3. Explain the changing role of international political borders and territorial sovereignty in a global economy.
4. Explain foreign exchange, the manner in which exchange rates are determined, and the effects of the dollar's gaining (or losing) value relative to other currencies.

(G) = geography
 (E) = economics
 (P) = politics and government
 (R) = religious thought and ideas
 (S) = social impact of events
 (M) = military action
 (I) = intellectual thought

Grades 9 through 12**Historical and Social Sciences Analysis Skills**

The intellectual skills noted below are to be learned through, and applied to, the content standards for grades 9 through 12. They are to be assessed *only in conjunction with* the content standards in grades 9 through 12. *In addition to the standards for grades 9 through 12, students demonstrate the following intellectual, reasoning, reflection, and research skills.*

HISTORICAL CHRONOLOGY AND INTERPRETATION

1. Students compare the present with the past, evaluating the consequences of past events and decisions and determining the lessons that were learned.
2. Students analyze how change happens at different rates at different times, understand that some aspects can change while others remain the same, and understand that change is complicated and affects not only technology and politics but also values and beliefs.
3. Students show the connections, causal and otherwise, between particular historical events and larger social, economic, and political trends and developments.
4. Students recognize the complexity of historical causes and effects, including the limitations on determining cause and effect.
5. Students distinguish intended from unintended consequences.
6. Students interpret past events and issues within the context in which an event unfolded rather than present-day norms and values.
7. Students understand the meaning, implication, and impact of historical events and recognize that events could have taken other directions.
8. Students conduct cost-benefit analyses and apply basic economic indicators to analyze the aggregate economic behavior of the U.S. economy.

GEOGRAPHIC SKILLS

1. Students understand the influence of physical and human geographic factors on the evolution of significant historic events and movements. They apply the geographic viewpoint to local, regional, and world policies and problems.
2. Students use a variety of maps and documents to interpret human movement, including major patterns of domestic and international migration, changing environmental preferences and settlement patterns, the frictions that develop between population groups, and the diffusion of ideas, technological innovations, and goods. Identify major patterns of human migration, both in the past and present.
3. Students relate current events to the physical and human characteristics of places and regions. They identify the characteristics, distribution, and complexity of Earth's cultural mosaics.
4. Students evaluate ways in which technology has expanded the capability of humans to modify the physical environment and the ability of humans to mitigate the effect of natural disasters.
5. Students hypothesize about the impact of push-pull factors on human migration in selected regions and about the changes in these factors over time. Students develop maps of human migration and settlement patterns at different times in history and compare them to the present.
6. Students note significant changes in the territorial sovereignty that took place in the history units being studied.

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Grades 9 through 12

GEOGRAPHIC SKILLS *(continued)*

7. Students study current events to explain how human actions modify the physical environment and how the physical environment affects human systems (e.g., natural disasters, climate, and resources). They explain the resulting environmental policy issues.
8. Students explain how different points of view influence policies relating to the use and management of Earth's resources.
9. Students identify patterns and networks of economic interdependence in the contemporary world.

HISTORICAL RESEARCH, EVIDENCE, AND POINT OF VIEW

1. Students distinguish valid arguments from fallacious arguments in historical interpretations (e.g., appeal to false authority, unconfirmed citations, *ad hominem* argument, appeal to popular opinion).
2. Students identify bias and prejudice in historical interpretations.
3. Students evaluate major debates among historians concerning alternative interpretations of the past, including an analysis of authors' use of evidence and the distinctions between sound generalizations and misleading oversimplifications.
4. Students construct and test hypotheses; collect, evaluate, and employ information from multiple primary and secondary sources; and apply it in oral and written presentations.

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